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THE SITUATION OF THE MAN-MADE FIBRE INDUSTRY IN THAILAND*

prepared by

Manus Earthayapan**

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** Thailand Institute of Scientific and Technological Research

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Introduction

Textiles have played a very important role in the industrialisation of Thailand. The industry's growth has been very high since the start of investment promotion for industrial development about 25 years ago. During the first 10 years textile production was concentrated in cotton fabrics and spinning, then man-made fabrics and spinning. In 1968 the production of man-made fibre started. Since 1973 there has been the promotion of textile for export.

The textile industry in Thailand at present includes both natural and man-made fibres and fabrics, For natural fibres and fabrics, cotton is the basic material accounting for most of the production. Man-made fibres are polyester staple polyester filament . nylon filament and rayon staple. The development of the synthetic fibre industry has been in stages. First the small scale nylon filament production company was established under the joint venture with Japanese capital, technology and experties during 1963-1966 . The second expansion period was 1967-1975 when many more large mills come into existence and the established mills increased their production capacity. The production of polyester fibre was begun with the establishmer of Teijin polyester (Thailand)(1967-1970)and Thai melon polyester Co,Ltd.(1975) The nylon filament production was begun by Asia Fibre (1970) and Toray nylon Thai Co. The viscose rayon staple fibre was started by Thai Rayon Co. (1974) .

Production

Table 1 shows the detail quantity of textile production during 1983- 1984 . The capacity of synthetic fibre production in 1984 was 115,160 metrictons or 4.2 per cent higher than the capacity in 1983. Table 2 shows more detail quantity of synthetic fibre production during 1983-1984. The increasing fibre capacity was polyester staple fibre and viscos rayon,,while the polyester filament yarn and nylon filament was decreasing by about 3 per cent .

The Demand for Man-made Fibre Products

The demand of Textile product is increasing each year because of the growing number of population and the increasing of export market. Table 3 shows the consumption of yarn and fabrics during 1973 - 1982. The apparent consumption of cotton and synthetic fibres have increased annaully by 8 and 25 percent respectively on the average. Since the rate of population growth has been much lower, the per capita consumption of fabric has been raising very high.

The overall development in the foreign trade of textile may be summerized as follows in 1960's all categories of textile products were imported. Imports of cotton fabrics and yarn started tobe substituted by domestic production, followed by the substution of imports of man-made yarn and fabrics. In the early 1970's, the production of cotton and man-made fibre were accelerated, while cotton and man-made fabric and cotton yarn mostly gray goods, started to be exported. The major export market are member of European community, followed by U.S. and Middle East countries. The breakdown as follows:

Countries	man-made fibres yarn (ton)	gray fabric (1000 sq.yd.)	garments (1000 pcs.)
EEC.	2,293	205,420	35,888
U.S.A.	2,720	76,798	68,940
Middle East	8	14,403	45,653
Japan	329	41,817	1,094
Other	21,878	167,770	57,908
Total	27,228	506,208	209,483

Source Base on value of exports from Customs Department.

Problem in textile industries

The problem may be grouped in to three areas: export market, cost of production and technological limitation.

Most firm complained about the limitation and inflexibility of the export quota given to them. With high transportation cost and high cost of production, it is difficult for them to compete in the world market.

The high cost of production is resulting from high prices of raw materials, and high cost of public utilities and wages.

The technological limitation has prevented the industry to move up to a higher quality and a higher value added textiles. This has been due to the policies of foreign companies in selling technology to Thailand.

Prospects

The man-made fibre industry in Thailand has for the last few years experienced considerable problems including increasing cost, export quota restrictions and uncertainty reguarding goverment policies. All parties concerned appear to have recognized the need for a restructuring of this industrial sub-sector and efforts are at present being made by Goverment, industry associations, to solve the short and medium term problem. However for long term projection for the textile and man-made fibre industries, the trends in the production of textile and man-made fabrics, will gradually become more dependent of the domestic market than the export markets.

Table 1 Textile production 1983 - 1984

Type of Textile	Number of machine in use 1984	production 1983	production 1984	production change %
mam-made fibre (metricton)	n.a.	110,482	115,160	4.2
cotton yarn (metricton)	1,649,258	237,947	250,000	5.1
woven fabric (1000 sq.yd.)	70,165	1,739,472	1,835,150	5.5
knitting fabric (1000sq.yd.)	42,942	463,406	495,840	7.0
Garment (million pieces)	n.a.	170	210	23.5

Source The Thai Textile Manufacturing Association

Table 2 Man-made fibre production 1983-1984

type of man-made fibre	capacity per month 1984	production 1983	production 1984	product chang %
Polyester Staple Fibre	5,200	53,866	57,323	6.4
Polyester filament yarn	2,010	17,757	17,386	-2.1
Nylon filament Yarn	1,560	17,060	16,413	-3.8
Viscose Rayon yarn	1,500	17,451	18,871	8.1
Pre Oriented yarn	400	4,348	5,167	18.8
	11,570	110,482	115,160	4.2

Source : Information from the companies

TABLE 3 THAILAND'S PRODUCTION, CONSUMPTION, IMPORTS AND EXPORTS OF YARN & FABRICS

(Thousands of Tonnes)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Cotton Yarn :										
Production	67.0	66.9	70.5	73.0	94.2	83.3	96.4	96.2	97.3	101.2
Consumption	64.3	63.7	68.5	96.2	84.8	88.9	92.5	96.2	100.9	107.6
Imports	1.2	0.3	0.3	0.1	-	-	0.3	0.4	0.9	0.3
Exports	1.2	0.1	-	0.9	2.9	2.6	0.8	0.8	0.5	1.8
Man-Made Yarn :										
Production	47.1	47.5	61.6	75.3	91.5	115.3	122.6	127.3	132.9	132.2
Consumption	53.5	50.0	62.7	72.8	78.5	94.5	103.3	109.5	120.4	132.1
Imports	12.9	10.0	3.3	5.8	3.4	4.0	6.2	5.2	7.9	7.7
Exports	3.5	2.5	3.1	11.0	14.6	19.2	14.8	22.2	20.4	14.7
Cotton Fabrics :										
Production	572	566	605	679	745	779	807	839	872	936
Consumption	456	490	501	533	558	594	626	634	690	713
Imports	44	38	26	15	20	19	15	20	18	18
Exports	69	32	49	123	121	120	110	112	96	162
Man-Made Fabrics :										
Production	272	392	522	660	696	851	929	984	1,129	1,147
Consumption	280	320	375	385	425	462	505	607	627	653
Imports	50	51	41	33	40	64	61	101	95	77
Exports	75	51	67	140	160	277	288	213	293	303

Source : Thai Textile Manufacturers Association.,
Department of Customs

Table 6 Name of Synthetic fibre Companies.

No.	Name of Companies	Production and Type (Ton/year)	Year of establishe
1	Toray Nyton (Thai) Co,Ltd.	Polyester, filament yarn 7200 Nylon, filament yarn 5400	1967
2	Teijin palyester Co,Ltd.	Polyester filament yarn 14;400 Polyester staple yarn 31200	1970
3	Asia fibre Co,Ltd.	Nylon filament yarn 5400	1972
4	Thai Melon Polyester Co,Ltd.	Polyester filament yarn 7200 Polyester staple yarn 18,000	1976
5	Oriental fibre Co,Ltd.	Polyester filament yarn 2,400	1977
6	Capital Twist textile Co,Ltd.	Nylon, yarn 4,320	1973

Source : Board of Investment.